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Ex parte

February 5, 2003

Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

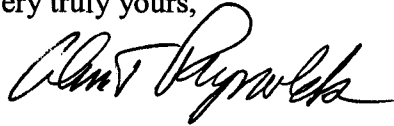
Re: CC Docket Nos. 01-338; 02-33

Dear Ms. Dortch:

The attached letter was sent today to Michelle Carey, Chief of the Wireline Competition Bureau's Competitive Policy Division.

In accordance with Section 1.1206, I am filing this letter electronically and request that you place it in the record of the proceedings identified above.

Very truly yours,



Glenn Reynolds

cc: Michelle Carey

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Ex parte

February 5, 2003

Michelle Carey
Chief, Competitive Policy Division
Wireline Competition Bureau
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: CC Docket Nos. 01-338; 02-33

Dear Ms. Carey:

On December 18, 2002, McLeodUSA filed a written *ex parte* in this docket in which, among other things, it stated that RBOCs generally are unwilling to provide nondiscriminatory access to Integrated Digital Loop Carrier ("IDLC")-provided loops.¹ At least with regard to BellSouth, this, and many other generalizations contained in that letter, is simply untrue. This letter responds, point-by-point, to a number of the inaccuracies in the McLeodUSA *ex parte*.

As background, and as BellSouth has previously explained in this proceeding, loops provided over IDLC are integrated into BellSouth's switch. Therefore, when a CLEC obtains a customer that is currently served via IDLC, it is necessary to provide a non-integrated facility to serve the customer. In this proceeding, BellSouth has previously presented and explained its eight (8) alternatives for providing this non-integrated unbundled loop facility. These alternatives are currently used by BellSouth when it is necessary to convert an IDLC loop to an unbundled loop facility. In the remainder of this submission, BellSouth excerpts pertinent contentions from the McLeod *ex parte* and provides its response to each.

Excerpt from McLeodUSA *ex parte*, page 8: "When an IDLC-provided loop is moved

¹ See Ex Parte Letter from Stephen C. Gray, President, McLeod USA to William Maher, Chief, Wireline Competition Bureau (dated December 17, 2002). Although BellSouth does not agree with many other issues raised by McLeodUSA in its *ex parte*, this response is limited to addressing the issue of IDLC-provided loops.

to a copper loop or a UDLC system the customer can experience a substantial degradation in service quality, for both voice and dial-up data service applications such as fax machines, modems, and credit card validation machines. It is important to note that this degradation affects not just what might be considered as broadband service, but standard narrowband services as well. For example, a customer moved from IDLC to UDLC will experience a minimum of one new D/A conversion, and is very likely to experience reduced modem speeds as a result. Even for standard voice services, moving the customer off IDLC can result in reduced voice volume and corresponding customer complaints. It is also important to recognize that the loop qualification and makeup data does not provide a mechanism to anticipate these problems, since that data only pertains to the makeup of the customer's existing loop. In cases where the customer is moved from IDLC to UDLC or a connected-through copper loop, no information is available to competitors about the characteristics of the loop to which the customer will be moved." (footnotes omitted).

BellSouth's Response: BellSouth has been proactive in finding solutions to ensure that all of its loops, including those provided via IDLC equipment, may be provided on an unbundled basis. There simply is no voice grade loop quality of service issue. Loops provisioned via IDLC are typically voice grade loops, and voice grade loops are not intended to support the data services or enhanced services that McLeodUSA apparently seeks to offer. BellSouth does not guarantee data transport capability over 9600 baud for voice grade circuits even for its own retail customers. Voice grade circuits are optimized for voice service, not for data service. Furthermore, as a result of network rearrangements, any of BellSouth's existing retail customers served by IDLC may be moved to universal DLC or to a copper pair at any time.²

Loop Makeup ("LMU") data can provide a CLEC with information to determine the suitability of particular loops. LMU provides existing loop configuration information, and CLECs can use the LMU capabilities to determine if spare copper loops exist at the customer's location. CLECs can also obtain LMU information for any available spare pairs, and the CLEC can reserve a spare pair for its exclusive use.

BellSouth has numerous alternatives for ensuring that all of its loops, including those served by IDLC equipment, can be made available to CLECs on an unbundled basis. These alternatives are:

- Alternative 1: If sufficient physical copper pairs are available, BellSouth will reassign the loop from the IDLC system to a physical copper pair.
- Alternative 2: Where the loops are served by Next Generation Digital Loop Carrier ("NGDLC") systems, BellSouth will "groom" the integrated loops to form a virtual Remote Terminal ("RT") arranged for universal service (that is, a terminal which can

² In other words, for voice grade circuits, retail customers get no guarantee from BellSouth of a specific loop type.

accommodate both switched and private line circuits). "Grooming" is the process of arranging certain loops (in the input stage of the NGDLC) in such a way that discrete groups of multiplexed loops may be assigned to transmission facilities (in the output stage of the NGDLC). Both of the NGDLC systems currently approved for use in BellSouth's network have "grooming" capabilities.

- Alternative 3: BellSouth will remove the loop distribution pair from the IDLC and re-terminate the pair to either a spare metallic loop feeder pair (copper pair) or to spare universal digital loop carrier equipment in the loop feeder route or Carrier Serving Area ("CSA"). For two-wire ISDN loops, the universal digital loop carrier facilities will be made available through the use of Conklin BRITEmux or Fitel-PMX 8uMux equipment.
- Alternative 4: BellSouth will remove the loop distribution pair from the IDLC and re-terminate the pair to utilize spare capacity of existing Integrated Network Access ("INA") systems or other existing IDLC that terminates on Digital Cross Connect ("DCS") equipment. BellSouth will thereby route the requested unbundled loop channel for delivery to the requesting CLEC or for termination in a DLC channel bank in the central office for concentration and subsequent delivery to the requesting CLEC.
- Alternative 5: When IDLC terminates at a peripheral capable of serving "side-door/hairpin" capabilities, BellSouth will utilize this switch functionality. The loop will remain terminated directly into the switch while the "side-door/hairpin" capabilities allow the loop to be provided individually to the requesting CLEC.
- Alternative 6: If a given IDLC system is not served by a switch peripheral that is capable of side-door/hairpin functionality, BellSouth will move the IDLC system to switch peripheral equipment that is side-door capable.
- Alternative 7: BellSouth will install and activate new Universal DLC ("UDLC") facilities or NGDLC facilities and then move the requested loop from the IDLC to these new facilities. In the case of UDLC, if growth will trigger activation of additional capacity within two years, BellSouth will activate new UDLC capacity to the distribution area. In the case of NGDLC, if channel banks are available for growth in the CSA, BellSouth will activate NGDLC unless the DLC enclosure is a cabinet already wired for older vintage DLC systems.
- Alternative 8: When it is expected that growth will not create the need for additional capacity within the next two years, BellSouth will convert some existing IDLC capacity to UDLC.

Excerpt from McLeodUSA *ex parte*, page 8: "There is also no effective way for competitors to anticipate this problem in advance. McLeodUSA records may indicate whether, at the time of installation of service, a particular line was being used as a

modem, fax or credit card validation line. Customers have a reasonable expectation, however, that any line purchased from McLeodUSA (or any other supplier) will be suitable for such a use.”

BellSouth’s Response: All of BellSouth’s voice grade loops are suitable for the types of services that McLeodUSA lists. Through its tariffs, BellSouth guarantees 9600-baud data on voice grade circuits. In many cases, the actual transmission rate may be higher; however, it is BellSouth’s practice with its retail customers that, so long as at least 9600-baud transmissions are provided via voice grade circuits, no special arrangements are employed to guarantee customers higher transmission rates.

Excerpt from McLeodUSA *ex parte*, page 9: “As a result, lines used for this purpose can change over time, without the knowledge of the service provider. Under these circumstances, there is no way to identify in advance whether a given line will present a problem; McLeodUSA must simply await a trouble report from the customer (with the concomitant customer disappointment and the appearance that McLeodUSA has done something ‘wrong’ to cause the problem).”

BellSouth’s Response: If a CLEC’s customer has a critical data need, such as a credit card validation line, that requires a high data transfer rate, BellSouth offers unbundled digital loops that accommodate from 9.6 kilobits per second (“KBPS”) up to DS1 and above transmission rates. These digital loops use special equipment that ensures the loop meets the stated transmission rate criteria. All of McLeodUSA’s comments seem related to data rates and enhanced service capabilities derived over voice grade loops. As noted above, voice grade loops were not designed for the data services or the specific enhanced services that McLeodUSA apparently seeks to offer. BellSouth offers numerous types of unbundled loops tailored to meet certain technical specifications.

Excerpt from McLeodUSA *ex parte*, page 9: “The frequency with which we experience these problems depends upon the penetration of IDLC systems in McLeodUSA’s target markets. The penetration of IDLC in existing loop plant is generally related to the amount of growth and the age associated with the infrastructure in the market. For example, in Arizona, Qwest reports that about 21% of its total loops are provided via IDLC. And in Richardson, Texas, there is a particular central office where McLeodUSA has established a collocation but has no access to unbundled loops in high-growth areas at all, since SBC has installed IDCL to serve all customers in the CO.”

BellSouth’s Response: Almost all IDLC systems and associated switching equipment have so-called “side-door” or “hairpin” capability that enables extraction of the loop from the switching equipment peripheral such that the loop may be provided to the CLEC on an unbundled basis. While it is true that activity adds an analog to digital conversion (the first conversion having been accomplished in the IDLC remote terminal), this is necessary in order to provide the loop to the CLEC’s collocation arrangement. The use of universal DLC equipment (which BellSouth uses for serving its own retail voice customers) also imposes two analog to digital conversions.

Excerpt from McLeodUSA *ex parte*, page 9: “As a short-term response to avoid undesirable customer impacts, McLeodUSA has also attempted to minimize problems by simply not migrating lines from UNE-P to our own switches where we believe there is a substantial likelihood of a problem. For example, we have to date deliberately avoided migrating over 6100 customer lines because of the inferior loops we receive from the RBOCs, and have in fact had to establish a process to ‘de-migrate’ certain lines from own switching facilities, and move them back to RBOC switches, because of the inferior loop connections we received from the RBOC during the move to a McLeodUSA switch.”

BellSouth’s Response: McLeodUSA provides no specific evidence of any particular RBOC having furnished to McLeodUSA what it terms “inferior loops.” Certainly, BellSouth has not provided McLeodUSA with “inferior loops.” Apparently, McLeodUSA has made its own business decisions as to which of its customers it will serve over McLeodUSA’s own switches, and which customers it will serve via UNE-P arrangements. McLeodUSA has done so, in its own words, where it “believe[s] there is a substantial likelihood of a problem.” In BellSouth’s view, McLeodUSA imagines problems where none exist. Copper loops, UDLC loops and IDLC loops are all standard voice grade loops and meet industry standards for voice grade service. McLeodUSA apparently wants assurances of higher transmission rates but only wants to pay for unbundled voice grade loops.

Excerpt from McLeodUSA *ex parte*, page 9: “We anticipate that, of about 450,000 existing McLeodUSA lines remaining to be migrated on-switch, over 80,000 lines (more than 17%) will be lines with the potential to experience loop quality problems during the migration. These problems result from the failure of RBOCs to provide us with a loop equal in quality to the loop they provide to themselves.”

BellSouth’s Response: Again, the loops BellSouth provides to CLECs are the same loops that BellSouth uses to furnish service to its retail customers. BellSouth does not have a set of “inferior loops” reserved only for CLECs’ use. Instead, all of BellSouth’s loops provided to CLECs must meet minimum specifications for the loop type ordered. BellSouth’s technical specifications for its various unbundled loop products are available to CLECs on BellSouth’s Internet website.

Excerpt from McLeodUSA *ex parte*, page 9: “Customers will continue to demand high-quality loops in order to meet their needs for data services and acceptable voice quality.”

BellSouth’s Response: BellSouth has not and will not provide unbundled voice loops with unacceptable voice quality. Further, if unbundled voice grade loops are not sufficient to meet the data needs of McLeodUSA’s customers, another type of unbundled loop that meets those increased needs should be requested by McLeodUSA.

Excerpt from McLeodUSA *ex parte*, page 10: “UNE loops providing traditional POTS

services are terminated to the IDLC on the narrowband portion of the equipment. UNE loops used for higher bandwidth services (which may include multiple voice lines) are terminated to the IDLC on the broadband portion of the equipment. From the IDLC in the RT or the CO, these loop connections are routed to the appropriate carrier's interface group and sent to that carrier's switch or collocation via a crossconnection and transport at the DS1 or DS3 (or higher) levels."

BellSouth's Response: The Next Generation Digital Loop Carrier ("NGDLC") systems that BellSouth uses in its network segregate broadband and narrowband transport. Any broadband circuits are transported back to the central office through different transmission links than those used to carry narrowband services. While it may or may not be technically feasible to set up discrete transmission facilities (referred to as "interface groups") between the RT and the central office for a given CLEC, to date no CLEC (including McLeodUSA) has made such a request of BellSouth.

Excerpt from McLeodUSA *ex parte*, page 12: "When customers are switched from IDLC-provided loops, RBOCs are unwilling to provide a 'coordinated' hot-cut. Instead, we are told only that the conversion will happen sometime during a particular business day. As a result McLeodUSA is unable to tell its prospective customer when the customer will be out of service during the cut-over process, with the resulting perception of service quality problems."

BellSouth's Response: BellSouth's practice is, in fact, to offer CLECs coordinated hot cuts, even for loops served via IDLC.

Excerpt from McLeodUSA *ex parte*, page 12: "RBOCs do not universally provide an adequate electronic method to identify whether or not a loop is served through a remote terminal. In some cases, the data is incomplete. In others, it is simply wrong: The loop makeup information in the preorder process does not provide any indication that a loop is served from a remote terminal, before the actual conversion we will be told that an RT is in use. This invariably requires that the customer's conversion be rescheduled."

BellSouth's Response: BellSouth's LMU data will show the system type and will indicate whether a particular loop is provisioned over copper facilities or over DLC equipment. In cases where the loop is provided via DLC equipment, the LMU data indicates whether the DLC equipment used for that loop is IDLC or UDLC. Thus, because the necessary data is provided via LMU, customer conversions need not be rescheduled as McLeodUSA asserts.

Excerpt from McLeodUSA *ex parte*, page 13: "Loops provided over IDLC shall be available to CLECs via either a DCS or a subinterface on the IDLC. These loops would then be available digitally (without D/A conversion) for connection to the CLEC collocation space, or for connection to multiplexing and transport for delivery to the CLEC's network."

BellSouth's Response: First, providing unbundled loops served by IDLC equipment via DCS equipment has not been shown to be technically feasible, and McLeodUSA offers nothing to support its proposition that such an arrangement is technically feasible. Second, even if it were determined that providing loops in this manner is technically feasible, to do so would introduce additional central office equipment that would likely add significantly to unbundled loop costs. The UNE rates approved by the various Public Service Commissions in BellSouth's region do not include the extra costs of routing IDLC derived loops via DCS equipment. Notably, McLeodUSA makes no offer whatsoever to pay for these additional costs. Third and most importantly, using DCS to provide unbundled loops provided via IDLC is simply not necessary.

Excerpt from McLeodUSA *ex parte*, page 14: "Costs of providing access to IDLC-provided loops would be calculated as part of the overall costs of loops under TELRIC, and thus would be reflected in recurring loop rates. No 'special construction' or 'facilities modification' charges would apply."

BellSouth's Response: McLeodUSA's presumption is based on its contention that either DCS or a subinterface on the IDLC is technically feasible. However, as BellSouth has explained, such additions to the network are not necessary in order to unbundle loops that are currently served via IDLC, due to the numerous alternatives that BellSouth uses to make such loops available. Importantly, digital handoffs are not necessary for voice grade loops. BellSouth is required to provide access to its existing network on an unbundled basis. BellSouth is not required to add to its network simply to provide additional, unnecessary equipment. Adoption of McLeodUSA's proposal would require massive changes to BellSouth's network, primarily because DCS equipment is currently installed in only a small portion of BellSouth's central offices. Furthermore, the costs of this additional, unnecessary functionality would need to be incorporated into the UNE loop rates, resulting in unbundled voice grade loop rates rising due to this new functionality that is not even required for voice service.

Excerpt from McLeodUSA *ex parte*, page 14: "If multiple loop architectures serve the same customer location, the CLEC shall have the choice of the loop architecture that will best meet the customer's needs."

BellSouth's Response: BellSouth provides CLECs the ability to identify and reserve specific loops for their services. However, BellSouth has not been and should not be required to keep a specific type of loop in place at a given location for a CLEC. BellSouth must retain the flexibility to manage its network and to make changes within its network as needed. So long as the technical characteristics of a particular loop are not changed as a result of BellSouth's network rearrangements, it should not matter to the CLEC what particular technology is used to provide the loop. BellSouth has ensured and will continue to ensure that all of its unbundled voice grade loops are capable of providing voice services in conformance with accepted industry standards. To require otherwise would hamstring BellSouth's network management by dictating network architectures and potentially affecting the rollout of new and innovative services.

Excerpt from McLeodUSA *ex parte*, page 14: “When a customer changes to a different local carrier, an RBOC shall not place the customer on a different loop or another loop architecture than that currently used to serve the customer, without the consent of the new local carrier.”

BellSouth’s Response: BellSouth’s first choice in the situation McLeodUSA describes is to re-use the existing loop. However, to impose a requirement that the existing loop always be used is an unnecessary intrusion into BellSouth’s network management. ILECs such as BellSouth are experts in provisioning loops for specific services, and BellSouth can best manage its network to ensure service to all parties.

Excerpt from McLeodUSA *ex parte*, page 14: “Access to detailed outside plant information from the RBOCs (including copper pair assignments, cross-box information, and distribution area information), including but not limited to outside plant information on all loop or loop component inventory that could be used to provide service to the customer premise.”

BellSouth’s Response: All the data necessary for McLeodUSA to determine the composition of a given loop is available to McLeodUSA and all other CLECs by accessing BellSouth’s LMU data. The LMU database includes information regarding existing working circuits as well as spare loops at a given location.

Excerpt from McLeodUSA *ex parte*, page 14: “Access to detailed information about pair gain technology (UDLC or IDLC) deployed in an area, including vintage, manufacturer, model, and capacity (ports/cards available).”

BellSouth’s Response: Information regarding “vintage, manufacturer, model, and capacity (ports/cards available)” is simply not relevant to the question that McLeodUSA ostensibly seeks to answer when it uses LMU data. All the data that is relevant (that is, what is the composition of a given working or spare loop) is readily available via BellSouth’s LMU database.

Excerpt from McLeodUSA *ex parte*, page 14: “Access to detailed information about transport technology used between an RT and the CO, including the configuration of the transport and traffic characteristics.”

BellSouth’s Response: The specific information that McLeodUSA references is, in most cases, proprietary to BellSouth. In any event, such information has no effect on the provisioning of the loop to McLeodUSA’s customer. Indeed, the LMU database provides CLECs with loop makeup information including what, if any, DLC facilities are used to provide a given loop. If the loop is provided via DLC equipment, then the specific type of transport back to the CO is not relevant because it will always be a digital transmission facility.

Excerpt from McLeodUSA *ex parte*, page 14: “Complete DCS assignment information, sufficient to allow for proper routing of all channels to the carrier selected by the customer.”

BellSouth’s Response: Again, as BellSouth has explained, there is relatively little DCS equipment installed in BellSouth’s region; thus, very few of BellSouth’s loops are routed via DCS equipment.

Excerpt from McLeodUSA *ex parte*, page 14: “Ability to effectively multiplex loops, including DS0 loops, for combination with dedicated transport for transmission to the CLEC’s network.”

BellSouth’s Response: Although it is unclear for what purpose McLeodUSA seeks multiplexing capabilities, BellSouth already offers CLECs Unbundled Loop Concentration and Unbundled Sub-Loop Concentration, which appears to be the functionality that McLeodUSA seeks.

Excerpt from McLeodUSA *ex parte*, page 14: “Unbundled digital transport, available from an RT to a CLEC’s point of interconnection, that could be provisioned in advance and be ready for immediate migration of loops served from the RT through CFA assignments.”

BellSouth’s Response: BellSouth already offers CLECs Unbundled Loop Concentration and Unbundled Sub-Loop Concentration as well as Unbundled Loop Feeder and dark fiber, which appear to be what McLeodUSA is requesting.

Excerpt from McLeodUSA *ex parte*, page 15: “Of course, even these standards will not be sufficient for equal loop provisioning in the long run. Over the course of the next Triennial Review, the Commission should make a concerted effort to understand electronic loop provisioning (ELP) and the issues surrounding ELP. AT&T has presented to the Commission a proposal on ELP as part of the instant proceeding, and McLeodUSA supports the general direction of that proposal. In the long run, to expect competitors to efficiently and smoothly migrate customer lines among themselves using a process that depends on disconnecting and reconnecting a myriad of wires in the central office is unrealistic. Even when all parties act in good faith, the opportunities for mistakes (and resulting customer outages) are simply unacceptable. All carriers should work to ensure, over the long run, that loops are presented digitally at the central office, so that carrier changes by a customer can be achieved through a software translation that reroutes traffic to the appropriate carrier, rather than by rewiring the appearance of customer loops at the MDF.”

Ms. Michelle Carey
February 5, 2003

BellSouth's Response: Through separate *ex parte* contacts and in its Reply Comments filed in this proceeding, BellSouth has demonstrated that AT&T's ELP proposal is unworkable, that it thwarts technology evolution, and that it is very expensive.³

Very truly yours,



Glenn Reynolds

cc: Christopher Libertelli
Matthew Brill
Jordan Goldstein
Dan Gonzalez
Lisa Zaina
Jeff Carlisle
Tom Navin
Brent Olson
Jeremy Miller

³ See letter from W.W. Jordan, BellSouth, to Marlene H. Dortch (Oct. 7, 2002); letter from W. W. Jordan, BellSouth, to Marlene H. Dortch (Sept. 27, 2002); BellSouth Reply Comments at 36 and Attachment 6 (Affidavit of Kenneth L. Ainsworth and W. Keith Milner, ¶¶ 61-80) (filed July 17, 2002). BellSouth's hot cut procedures (which AT&T co-developed) ensure timely, accurate hot cuts. See letter from Robert T. Blau, BellSouth, to Marlene H. Dortch (Jan. 16, 2003); letter from W. W. Jordan, BellSouth, to Marlene H. Dortch (Nov. 1, 2002); letter from W. W. Jordan, BellSouth, to Marlene H. Dortch (Oct. 7, 2002); letter from Robert T. Blau, BellSouth, to Marlene H. Dortch (Dec. 24, 2002); BellSouth Reply Comments at 33-37 and Attachment 6 (Affidavit of Kenneth L. Ainsworth and W. Keith Milner, ¶¶ 5-60).